

BEFORE THE TENNESSEE EMERGENCY COMMUNICATIONS BOARD

Nashville, Tennessee

June 9, 2006

IN RE: INVESTIGATION OF HAWKINS COUNTY ECD

ORDER

This matter came before the Tennessee Emergency Communications Board ("Board" or "TECD") during a public meeting convened on April 20, 2006.

Background

On January 6, 2006, the Board received a letter from the Division of County Audit in the Office of the Comptroller of the Treasury¹ stating that Hawkins County Emergency Communications District ("ECD") had failed to timely file audit reports that were due on June 30, 2004 and June 30, 2005. The letter reported that when the 2004 audit report was finally filed on December 27, 2005, it had reporting deficiencies of sufficient gravity that the audit report was rejected, and the 2005 audit report had not been filed.

After receiving this letter, the Executive Director sent a certified letter to the Chairman of Hawkins County ECD, Charles Sanders, and the Director of the District, Gay Murrell, requesting them to attend the January 26 Board meeting. Ms. Murrell and the ECD Secretary, Glenda Davis, attended the meeting. Mr. Sanders did not. No specific explanation for Mr. Sanders' failure to appear was provided. The attendees were given the opportunity to explain the events that resulted in the letter from the Office of the Comptroller.

After considerable discussion, the Board directed staff to contact the Division of County Audit, commence a broad investigation of the management and operations of Hawkins County ECD, contact the Hawkins County Mayor and report back to the Board with options for addressing the situation.²

Staff conducted an extensive investigation and record review of Hawkins County and made a site visit on February 9, 2006. TECB Board Members Ike Lowry and Freddie Rich accompanied staff. The group met with Hawkins County ECD Director Gay Murrell, ECD Chairman Charles Sanders, Hawkins County Mayor Crockett Lee, and other ECD Board members. Staff thereafter proposed findings to the TECB.

¹ Tennessee Code Annotated § 7-86-113 authorizes the Comptroller's Office to administer the ECD audit program.

² Tennessee Code Annotated § 7-86-108(f) authorizes the Board to discipline districts that operate in violation of state law, or fail to correct specific violations of the law, by withholding the district's share of the distribution of the wireless fee. Such violations "may include, but not be limited to, the failure to submit an annual budget or audit." Tenn. Code Ann. § 7-86-108(f) (2005).

The April 20, 2006 Meeting of the TECB

Hawkins County ECD Chairman Sanders and Hawkins County Mayor Lee attended the April 20, 2006 TECB Meeting. Chairman Sanders reported that the ECD board, at its last meeting, voted to obey all state laws and proposals of the TECB. Mayor Lee represented that he and the ECD agree to accept all findings and work toward correcting them.

The Board considered and adopted staff's proposed findings.

Findings

1. The TECB's 2001 statement that "The minimal rate increase is only sufficient with the continued annual appropriation by the Hawkins County Commission" was correct. The \$50,000 decrease in the County's contribution in the last two years has put continued operation of the ECD at risk. The ECD cannot continue to operate under its current revenue stream.

In passing the 911 law, the General Assembly did not contemplate that 911 would cover all expenses, including dispatching. Counties and municipalities provided dispatching long before the law creating emergency communications districts was passed. Tenn. Code Ann. § 7-86-103(9) defines the parameters of 911 service as including "lines and may include the equipment necessary for the answering, transferring and dispatching of public emergency telephone calls originated by persons within the serving area who dial 911." Ideally, personnel costs for dispatching are shared by the governmental entities whose citizens receive the benefits of the dispatching service. The law encourages such interlocal cooperation in providing emergency communications.³ Hawkins County and the other local governments receiving service from the ECD are encouraged to contribute to the district to cover the costs of the dispatching they receive.

2. The ECD Chairman and Board of Directors have not in recent years successfully satisfied their responsibilities to provide leadership in regard to the operations of the ECD, particularly with regard to monitoring the ECD's fiscal health.

The record fails to show that they have considered available means to increase revenue. These include consideration of whether to commence the process of increasing the emergency telephone service charge on landlines in Hawkins County or taking advantage of the TECB's financial incentives to consolidate with a neighboring rural ECD.

- The record reflects no deliberations by the board of directors, in many years, on the issue of who holds its leadership positions.

The record fails to show that the Chairman used his leadership position to actively engage the board of directors in the business of the ECD. The record shows no attempts by the Chairman to correct the attendance problem or to make the board members aware of the ECD's declining fiscal condition. Nor does the record show that he has proposed ways to improve the ECD's finances such as seeking additional funding from the TECB or that he took steps to assure that the annual audits were timely obtained.

³ See Tenn. Code Ann. § 7-86-105(b)(6) (2005).

- The record shows that the Chairman failed to appear at the January TECB meeting after being directed to do so and that he provided no evidence to substantiate his statement that he had a prior commitment. His statements regarding prior commitments were vague, at best. Even if he had a prior commitment, his lack of a response to the Board's directive to appear is troubling and demonstrates a lack of effort and leadership at a time when the ECD was experiencing serious financial problems.
3. The Hawkins County ECD board members have not been appointed consistent with Tenn. Code Ann. §7-86-105(b)(1). That provision requires that the county mayor appoint between seven and nine members to the ECD board of directors, subject to confirmation by the county legislative body.

IT IS HEREBY ORDERED THAT:

1. Hawkins County ECD shall report at least monthly to the TECB regarding its progress in addressing the findings.
2. Hawkins County shall appear at the next meeting of the TECB.

This 9th day of June, 2006.

Randy Porter w/permission, CER
Randy Porter, Chairman

Wanda Moody, Vice Chairman⁴

Tom Beehan w/permission, CER
Tom Beehan, Board Member

Charles Bilbrey w/permission, CER
Charles Bilbrey, Board Member

Katrina Cobb w/permission, CER
Katrina Cobb, Board Member

Ike Lowry w/permission, CER
Ike Lowry, Board Member

⁴ Ms. Moody was not present during the deliberations.

Freddie Rich w/permission, CER
Freddie Rich, Board Member

Mike Taylor, Board Member⁵

Johnny Vickers w/permission, CER
Johnny Vickers, Board Member

⁵ Mr. Taylor was not present during the deliberations.